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27 February 1952

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: IAC Agency Views on NIE-35/1: Probable Developments in Indochina

1. Agency representatives indicated no points on which they expected to dissent from the estimate.

2. During consideration of earlier drafts, there appeared some divergences of agency views, which we believe have been adequately resolved in this final draft. The principal points involved were:

a. Are the French weakening in their determination to continue the defense of Indochina? State has been less inclined than the other agencies to accept the idea of such a weakening, in fact, though conceding that Vietnam and Viet Minh belief in such a weakening had affected the morale of both sides in Indochina. State ascribes the French expressions of increasing worry over Indochina to the fact that France will need increased US financial aid in order to meet NATO goals and at the same time maintain or improve its position in Indochina. It believes the French are counting on such aid to close the financial gap, and are therefore unlikely to give serious consideration to a withdrawal from Indochina in the near future. The position taken in the estimate is stated in the conclusions, paragraphs 1 and 2.

b. Conclusion paragraph 4 states that "We believe, ... that the Chinese Communists will not intervene in force in Indochina during the period of this estimate." The Air Force representatives felt that it would be advisable to add the qualification, "except in the event of global war," or words to that effect.

SHERMAN KENT  
Assistant Director  
National Estimates

25X1

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FEB 27 1952  
NE-6